

FACTORS INFLUENCING PEOPLE SATISFACTION OF CONSUMPTION TAX: THE ANATOMY OF GOODS AND SERVICE TAX (GST) IMPLEMENTATION IN MALAYSIA

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ABSTRACT

This paper identifies factors influencing public willingness to comply with consumer tax in Malaysia. Few attributes have been identified from the people's complaints towards Good and Services Tax (GST) operation in Malaysia from April 2015 until May 2018. This paper therefore investigates whether the tax rate, the knowledge level, the government monitorisation and tribunal system and other inevitable taxes as the attributes that affect people's satisfaction towards GST implementation. A survey with 384 respondents in Seremban, Negeri Sembilan, Malaysia was conducted using convenience sampling techniques and questionnaire as primary data collection instrument. Four hypotheses mentioned previously were tested. The study results showed the knowledge level on tax, the effect of GST (rate 6%), the government monitorisation and tribunal system as well as other inevitable taxes have significant influence on the people's satisfaction towards GST. The paper concludes that the effect of the types of tax and the rate strongly influence public satisfaction towards consumer tax. The paper contributes to practice and policy by revealing the tax compliance behaviour in Seremban, Negeri Sembilan particularly on the standard of living and purchasing power. Government must ensure more support system is set to gain support for the implementation of the consumer tax by taking into account leaders' point of views and using social group events to educate people about the tax rate. Future study may be extended to other states in Malaysia for confirming the attributes and from here, the Government will be able to strategize to ensure successful implementation of consumer tax well accepted by the people.

Key words: Good and Service Tax (GST), public purchasing power, Royal Malaysian Custom Department (RMCD)

INTRODUCTION

The introduction of GST was the recognition of the country's overdependence on the revenues generated from Petronas (Petroleum Nasional Berhad) (Eleventh Malaysia Plan 2016-2020). The timing of its actual implementation coincided with the slump in oil and gas prices over the period mid-2014 to mid-2016. Its implementation successfully helped the Federal Treasury to cushion the impact of lower oil revenue.

GST is a tax that replaces sales and service taxes (SST) and it was implemented on 1st April 2015 at the rate of 6%. The actual reason for Malaysian Government to implement GST is to enhance the revenue collections because GST is charged at multi stages businesses (manufacturing, goods and services) as compared with SST levied at a single entry only. The second reason was the Malaysian Government wanted to use the GST system as a mechanism to mitigate transfer pricing manipulation (Bank Negara Malaysia in Star 2013) thus GST can prevent tax collection leakage. Furthermore, the GST operation is transparent when every stage of business require registration for GST, otherwise the traders, manufacturers and so forth cannot get their tax claim.

Despite the government's objective of implementing GST is to increase the national income, many complaints were received during the implementation of GST (Astro Awani, 2015) and it was said that GST was burdening the citizens (Muhamad, 2017). Among the complaints was GST caused the increase in the cost of living and the decrease in the standard of living especially among the lower and middle income group in Malaysia (New Strait Times, 2016, The Sun Daily 2015). The government expected that the price of goods generally could go up by 1.8 to 2% following the implementation of GST (New Strait Times 2014) and home prices nationwide to increase by 3% after the implementation of GST (Utusan Malaysia 2014). GST has a 'domino' effect to the standard of living where basic needs such as household items and non-essential food (manufactured food item) are being charged with GST. The lower income earners who are not within taxable income category will have to pay GST for their daily consumption (Institute Rakyat, 2014). In fact, the price of some items which are important to people's job and daily task such as computer, phones, watches, cosmetics has increased when those items were not charged before the implementation of GST. As consumers, people have to pay all the goods and service imposed with GST.

Further complains were GST had impacted the fast increment of national household debt. Prior to the introduction of GST, Malaysia household debt was 86.8% (end of year 2013) and was considered highest in Asia. Malaysia's household debt-to-gross domestic product (GDP) ratio increased to 89.1% (2015) from 86.8% (The Star, 2016). The GST 6% rate, rise in the cost of living and the weak Ringgit Malaysia have impacted the increment of household debt because the lower income group had a higher leverage position than other income group and their source of income to pay debt did not commensurate with the salary increment. They continued to be leveraged because they needed to draw down from their credit borrowing or credit card to survive.

The government of Malaysia introduced a welfare program called BR1M (Bantuan Rakyat 1Malaysia) with a scheme amounting to RM300–RM650 per month given to the lower income group (earned below RM3000 per month) to increase their household income, purchasing power and reduce the impact of the rising cost of living from the GST. The higher income group are not

really affected from the implementation of GST (Edward, 2015). In fact, they can still benefit from a reduction of income tax. However, the middle class income group economic situation was not given fair attention, and this group struggles the most (Inter Nations, 2017).

In another situation, people also complaint that the 6% rate of GST is deemed high for the consumer of lower and middle income group. A survey conducted with over 2000 Malaysian for 10 days in year 2015 identified that 65% of the survey respondents believe that GST has severely affected their finances, and blame GST and the lack of proper execution for the escalating cost of living (iMoney National Budget 2016 Sentiment Survey in Sun Daily, 2015). About 80% of respondents wanted the government to reduce the GST rate, while 68% want authorities to improve price regulation to deter errant businesses from rampantly increasing their prices. Although Malaysian property prices are rising at a slower pace following some cooling measures introduced by the government and Bank Negara Malaysia, a 92% of the respondents say they were still unable to own a home. The survey saw that 39% of Malaysians was still apprehensive over high property prices. The survey found that 42% of Malaysians are only able to afford properties that cost about RM160,000, which translates into RM850 in repayment a month. With PRIMA homes in the Klang Valley costing more than RM200,000, the majority of respondents did not feel that government and central bank initiatives fully addressed the issue of housing affordability (Sun Daily, 2015). It was said that government should consider the tax rate in relation to the compensatory package, the accounting process, economics, political condition and many more as all of these are important in order to maintain the sustainability of the public (Sanusi, 2015). Therefore, this paper shows the importance of policy makers to understand significant factors that influence people satisfaction in complying with any consumer tax imposed in Malaysia by listening to the voice of people.

The main objective of the survey is to identify factors influencing public satisfaction of consumption tax in Malaysia through the anatomy of GST implementation in Malaysia. The following specific objectives addressed in the survey:

- 1- To examine the knowledge on GST that makes the public satisfied in the implementation of the consumer tax selected.
- 2- To examine the relationship between the effect of GST and its rate (6%) and the level of public satisfaction to comply with consumer tax.
- 3- To examine the government's monitoring and tribunal system to ensure public satisfaction towards GST implementation.
- 4- To identify the relationship between other inevitable taxes and the level of public satisfaction towards GST implementation.

LITERATURE REVIEW

The effect of GST at the rate of 6%

The main concern of the public is the impact of GST over goods and services on their cost of living while the government's intention of imposing GST on goods and services is to achieve overall economic growth. Goods and services are charged with GST with a standard rate that applies to manufacturers, wholesalers, retailers and consumers. GST is collected by the businesses and paid to the government. GST is charged at each level of supply chain standard rated supply (<http://www.customs.gov.my>). Other research findings revealed that GST affects to post-taxation price of goods and services and it has a significant and negative impact on GST compliance (Sim Choon Ling et al. 2015). Based on a home-based study in 2014, prices will increase as the price in construction materials rises. Home prices nationwide had increased by three per cent after the implementation of Goods and Services Tax (GST) (Utusan Malaysia, 2014). The household debt was recorded as RM854.3 billion (86.8% of Gross Domestic Product) making Malaysia the most heavily indebted nation in Asia (Tajudin 2014). There was macroeconomic impact on household debt-servicing capacity. This was because the rise in the cost of living at that time was not on an equal footing with the salary increment.

90% of Malaysian public did not fall under the category of tax paper which required them to pay GST for their daily consumption (Institute Rakyat 2014 in Sim Choon Ling et al., 2015). There are more than one thousand goods that are taxable under GST (Sundry Book 2015 & 2016) involving groceries, fresh fruits and vegetables, beauty and health, household, hardware, kitchenware, garment, books and stationary, toys, pets, and so forth (Perpustakaan Negara Malaysia, 2015). Based on the previous findings, it is hypothesized that:

H1: There is a negative relationship between the effect of GST (rate 6%) and public satisfaction towards GST.

Knowledge Level on GST

Research revealed that the knowledge and awareness level of Malaysian people has not reached a satisfactory level (Roshidi et al., 2016) Awareness is a very important factor for success in terms of managing and conducting the tax imposed (Savitri, 2015). The public should be exposed with relevant information in order to improve their level of understanding regarding GST. Managing the GST must be done collaboratively between the public and the government because efforts to maximize tax revenue do not only rely on the role of tax officials, but also takes an active role of the tax payer themselves. The people as consumers must obtain essential knowledge about the list of taxable items and exempted under GST (Sundry Book 2016), how GST works, the list of traders and sellers who are allowed and not allowed to impose GST (RMCD website). This information is important in order to avoid fraud, misunderstanding and other problems that may arise (Shaari, 2015). Consumers can lodge complaint to the authorities if traders unduly increase the price of their products that were being sold (Harian Metro 2014).

According to SME Survey Report (2017), based on questionnaire from 880 respondents of members of Chinese Chamber of Commerce and Industry of Malaysia (ACCCIM) reported that only 39% of the respondents was aware that Customs updates its GST Portal in respect of latest information on GST, and published the Director General's Decision for clarification, explanation and remedial measures on various GST-related technical issues (ACCCIM.org.my, 2017). SME Survey Report 2015 based on questionnaire from 963 respondents of members of ACCIM reported that more than half (51%) of the respondents stated that they are not aware of the price control law (ACCCIM.org.my 2015).

Based on the previous findings, it is hypothesized that:

H2: There is a positive relationship between knowledge level on GST and satisfaction of people towards GST.

Government Monitoring and Tribunal System

There are two parties that are responsible to control GST namely Royal Malaysian Customs Department (RMCD) and Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC). Businesses that were registered under RMCD in accordance with GST Act 2014 was considered as a 'registered person' in which they were required to charge GST on the goods and services that they provide to the consumers. As a result, the government assisted them by allowing them to reclaim the GST incurred in the purchases which are inputs to their business (Customs, 2015). This means such registered businesses under GST can claim the

GST that has been imposed on them by the government. This was one of the government's initiatives to support the businesses in order for GST to be implemented as effective and as efficient as possible.

However this has a repercussion on the public, especially on the middle income and lower income groups since they have to deal with price increment for goods and services due to the implementation of GST since unlike the businesses, there are no provision for them to claim their GST from the government.

Hence to improve the confidence level of the general taxpayers, the government made efforts to improve the accountability of GST. One such step was by holding tax administrators accountable for complaints lodged by taxpayers and to take fast action through procedures for any unsatisfactory cases. The GST Tribunal was established on the same date as the day GST was first implemented in Malaysia, catering to all minor cases for any unsatisfactory decision made by the RCMD to the tax payers (Sanusi, 2015). It was also said that the GST Tribunal was established as an avenue for taxpayers to appeal against decisions made by the RMCD on non-appealable matters based on a simple framework (See Appendix 2) (Fourth Schedule GST Act 2014 in Sashi S.K and Harvina 2017). Since the day of its implementation, the government has received a lot of complaints from the opposition parties, sellers and citizens. KPNDKK had facilitated the public to lodge their complaint through "Ez-ADU KPNDKK" application which is accessible by using smartphone (Amanz, 2015). Based on the previous findings, it is hypothesized that:

H3: There is a positive relationship between government monitoring and tribunal system and satisfaction of people towards GST

Other Inevitable Taxes

Since Malaysia is still considered a developing country, necessary funding remains important for the country in ensuring that the process is well-organised by the government. Hence the tax is imposed by the government as a compulsory fee on the income, wealth or any other basis of interest of the people in the country (Nurulhasni, 2015). Although the government is able to access other external means of funding such as foreign loans but due to the fact that it can pose a significant threat to national interest and sovereignty when remain unabated, the government prioritises extracting more from internal means – taxes. Hence all public expenditures are financed from state revenue such as revenue from tax and non-tax revenues (Jatmiko, 2006)

There are generally two types of taxes in Malaysia – direct taxes and indirect taxes (refer to Appendix 1). Direct taxes are imposed directly on a person and the responsibility of paying such tax liability cannot be evaded or transferred to another person within a specific timeframe set by the government. Some examples are personal income tax, corporate income tax and much more. As for indirect taxes, these are taxes that are imposed on any taxable transactions – hence its indirect nature. Examples include tax levied on alcohol, tobacco products, purchase tax and custom clearance of imported goods such as cars and electrical appliances. Unlike direct tax, the responsibility of paying the tax liability can be transferred to other people. An example of such situation is when a trader or businessman transfers his or her tax liability of a product to the consumers by increasing the price of such product.

Generally there are two types of taxes that are being imposed in Malaysia and the government considers collecting them a necessity, this nevertheless burdens the citizens as the taxes tends to be unfairly imposed or distributed. As an example, on top of being burdened with GST, the citizens also had to suffer from tourism tax which began on 2017, which is imposed on each room in hotels at RM10 per room. The public held the opinion that these kinds of taxes should not be implemented in Malaysia where the travelling industry and inflation rate in this country is growing, and it can affect too many people, not just foreigners but locals too (Hasli in Sinar Harian, 2017). It appears that the Malaysian government did not holistically review its tax system in which the rich, the middle income and the low income earner within a high cost of living in urban area are involved (Sanusi, 2015).Based on the previous findings, it is hypothesized that:

H4: There is a negative relationship between other inevitable taxes and satisfaction of people towards GST

RESEARCH METHODOLOGY

This study used questionnaire which employed a 5 point Likert Scale (1 = strongly disagree; 5 = strongly agree) to examine how strongly the respondents agree or disagree with the items. The primary data is collected from respondents from various background in Seremban, Nilai, Kuala Pilah, Bahau, Kuala Klawang and Port Dickson within Negeri Sembilan. Respondents of various backgrounds were chosen since consumption tax ultimately affects everyone thus all parties are eligible to voice out their opinion. The survey questionnaire was distributed to a sample of 384 respondents (Krejcie and Morgan, 1970) out of the 1 million population of Negeri Sembilan (Jabatan Perangkaan Malaysia, 2016) by using convenience sampling method involving the selection of units that are easily accessible. In this study, the secondary data is gathered from journals, reports, newspapers, websites and other sources that are related to GST. In identifying significant factors that influence the satisfaction of people towards GST implementation, the data was analysed using Descriptive Statistics, Pearson Correlation and Multiple Regression techniques

FINDINGS

Demographic profile

Table 1: Respondent Demographic Profile

Variables		Frequency (f)	Percentage (%)
Gender	Male	140	36.5
	Female	244	63.5
Residency	Malaysian	376	97.9
	Non-Malaysian	8	2.1
Age	21-30 years old	221	57.6
	31-40 years old	94	24.5
	41-50 years old	40	10.4
	51 years old and above	29	7.6
Monthly Income	RM 2,000 and below		
	RM 2,001- RM 4,000	222	57.8
	RM 4,001- RM 6,000	73	19.0
	RM 6,001- RM 8,000	48	12.5
	RM 8,001 and above	29	7.6
Education Level	No Formal Education	12	3.1
	Secondary School	1	0.3
	Certificate Level	49	12.8
	University Education	32	8.3
		302	78.6

Reliability analysis

Reliability testing was performed to ensure all the dedicated items in each of the variables are capable of providing consistent results cross time. Table 2 illustrates that the knowledge level on GST (0.770) and government monitoring and tribunal system (0.709) have the highest Cronbach’s Alpha values. Subsequently, the values for the effect of GST (rate 6%) and the people’s satisfaction towards GST are 0.695 and 0.694 respectively. According to Hair et al. (2010), the values of Cronbach’s Alpha above 0.6 are acceptable and 0.7 deemed as good.

Table 2: Reliability Analysis

Construct	Cronbach’s Alpha	Number of Items
Satisfaction of people towards GST	.694	6
The effect of GST (rate 6%)	.695	5
Knowledge Level on GST	.770	5
Government Monitoring and Tribunal System	.709	5
Other Inevitable Taxes	.607	5

Test of normality

Test of normality was also done to see the shape of the distribution and the usage of interval level of the scale. The normal distribution can be determined by the values of the skewness and kurtosis in the range of -2 and + 2. Table 3 indicates that the value of kurtosis and skewness for all the variables is between the value of ± 0 and ± 1 . It can be concluded that the shape of distribution is normal and accepted.

Table 3: Test of Normality

Variables	Skewness	Kurtosis	Remarks
Satisfaction of people towards GST	.099	-.394	Normal
The Effect of GST (Rate 6%)	-.972	1.294	Normal
Knowledge Level on GST	-.292	-.094	Normal
Government Monitoring and Tribunal System	-.346	-.001	Normal
Other Inevitable Taxes	.904	.992	Normal

Correlation Analysis

Correlation analysis measures whether a relationship exists between the dependant variable and independent variable and how strong the relationship is. The Pearson Correlation Coefficient (r) ranges between -1.00 (identifying a negative relationship) and +1.00 (identifying a positive relationship). The Pearson's r value approaching 1 indicates a stronger relationship between two variables. The two tailed test is employed to test the statistical significance in a two sided area of distribution and whether the p-value (statistically significant) is less or greater than a certain range of values. Table 4 illustrates that two variables (effect of GST rate of 6% and other tax policy) are significant at 0.01 level and three other variables (public satisfaction towards GST, knowledge level and government monitoring and tribunal system) are significant at 0.05 level.

This study revealed the Pearson's correlation (r) between the effect of GST (6% rate) and public satisfaction towards GST has suggested that there is a significant low negative relationship ($r = -0.123$) which denoted that an increase in the effect of GST (rate 6%) shall cause a decrease in public satisfaction towards GST implementation.

On the other hand, Pearson's correlation (r) between knowledge level on GST and public satisfaction towards GST has suggested that there is a significant but moderate positive relationship ($r = 0.324$) which implies that an increase (decrease) in knowledge level on GST will lead to an increase (decrease) in public satisfaction towards GST implementation.

Pearson's correlation (r) between government monitoring and tribunal system and public satisfaction towards GST has suggested that there is a significant but weak positive relationship ($r = 0.274$) which implies that an increase (decrease) in government monitoring and tribunal systems will lead to an increase in (decrease) public satisfaction towards GST implementation.

Finally, this study revealed that there is a relatively significant moderate negative relationship ($r = -0.473$) between other inevitable taxes and satisfaction of people towards GST which denoted that an increase (decrease) in other unavoidable tax policies have moderate decrease (increase) in people satisfaction towards GST implementation.

Table 4: Summary of Correlation Analysis

	Public dissatisfaction towards GST	Knowledge Level on GST	The GST (Rate of 6%)	Government Monitoring and Tribunal Systems	Other Inevitable Taxes
Satisfaction of people towards GST (DV)	1	.324**	-.123*	.274**	-.130*
The Effect of GST (Rate 6%)	-.123*	.339**	1	.399**	.532**
Knowledge Level on GST	.324**	1	.339**	.687**	.479**
Government Monitoring and Tribunal System	.274**	.687**	.399**	1	.481**
Other Inevitable Taxes	-.130*	.479**	.532**	.481**	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Multiple Regression Analysis

Regression analysis is used when independent variables are correlated with one another and also with the dependant variables (Sheridan J Coakes and Clara Ong 2011) and this statistical tool can be used for investigating the degree of relationship and characteristic between these variables. For this study, the hypothesized relationships were tested using computed regression analysis. Table 5 illustrates that the R2 value for four independent variables embedded in the regression model is 0.253, suggesting that approximately 25.3 percent of the variation in public satisfaction towards GST can be explained by the selected independent variables. As computed, the F value is 32.11 with a significance of 0.000, thus it can be concluded that the regression model is fit and statistically significant. At $\alpha = 0.05$ level of significance, there exist enough evidence to conclude the slope of the regression line is not zero hence all the independent variables are useful as a predictor for public satisfaction towards GST implementation. Based on the findings, it can be concluded that all four proposed hypotheses H1, H2, H3 and H4 were supported. Moreover, standardized coefficients (β) enables the disclosure of outcome for each independent variable on the dependent variable in standard deviations by comparing the degree of magnitude among the independent variables. Based upon the β values, the knowledge level on GST is a remarkable factor in influencing on public satisfaction towards the implementation of GST (0.371). The second determinant for public satisfaction towards GST is other inevitable taxes (-0.338) whilst the third determinant for public satisfaction towards the implementation of GST is government monitoring and tribunal system with β value of 0.249. This is followed by the effect of GST with β values of -0.169 as the determinant factor on people satisfaction towards GST.

Table 5: Coefficient

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.414	.321		10.626	.000
The effect of GST (rate 6%)	-.259	.082	-.169	-3.156	.002
Knowledge Level on GST	.426	.072	.371	5.910	.000
Government Monitoring and Tribunal Systems	.257	.066	.249	3.904	.000
Other Inevitable Taxes	-.473	.080	-.338	-5.905	.000

R2 = 0.253; Adjusted R2 = 0.245; F Change = 32.11

DISCUSSIONS

The research findings indicated that the effect of GST has the most significance correlation (Sig t = 0.002) and a low negative linear relationship (Pearson's $r = -0.123$) with public satisfaction towards GST implementation in Malaysia. Based upon the regression analysis computed, the effect of GST (rate 6%) ($\beta = -0.169$, $t = -3.156$, $p < 0.05$) was found to be significant and negatively correlated with satisfaction of people towards GST. Ultimately, research findings suggested that the public in Malaysia is responsive towards GST and it has significant and negative impact on public satisfaction hence the hypothesis H1 is accepted.

Findings proved that it is consistent with previous studies.

Above and beyond, the research findings revealed that knowledge level on GST has significance value of (Sig t = 0.000) and an acceptable positive linear relationship (Pearson's $r = 0.324$) with public satisfaction towards GST implementation in Malaysia. Based upon the regression analysis computed, the knowledge level on GST ($\beta = 0.371$, $t = 5.910$, $p < 0.05$) was found moderately significant and positively correlated with public satisfaction towards GST. Ultimately, research findings indicated that the public accessed information about GST from social media. A list of exempted and non-exempted goods and services could be obtained from a book called Sundry Book 2015 and 2016 which was available on the website of RMCD and it has significant and positive impact on people satisfaction towards GST hence the hypothesis H2 is accepted. Findings proved that it is consistent with previous studies.

In addition, the research findings revealed that government monitoring and tribunal system have a significant value of 0.000 and a Pearson's r of 0.274. Therefore, this can be concluded that there is a statistically significant weak positive relationship between government monitoring and tribunal system and public satisfaction towards GST. Likewise based on the regression analysis computed, government monitoring and tribunal systems ($\beta = 0.249$, $t = 3.904$, $p < 0.05$) was found to be significant and positively associated with public satisfaction towards GST implementation. In short, research findings indicated that the people wanted the government to monitor and the GST Tribunal as an avenue for taxpayer to appeal against the decision of the Director General of RMCD is helpful in addressing on non-appealable matters and it has significant and positive impact on people's satisfaction towards GST implementation. To conclude, the hypothesis H3 is accepted and it is consistent with previous findings.

Lastly, the regression analysis revealed that other inevitable taxes has a statistically significance (Sig t = 0.000) towards public satisfaction towards GST implementation and with Pearson's r value of -0.130 hence it can be concluded that there is a low negative relationship between other existing unavoidable tax policies and public satisfaction towards GST. Additionally,

computed regression analysis implied that other existing unavoidable tax policies was found to be substantial and negatively related to public satisfaction towards GST implementation ($\beta = -0.338$, $t = -5.905$, $p < 0.05$) which suggested that other inevitable taxes has significant and negative impact on people's satisfaction towards GST. The research findings indicated that the presence of other inevitable taxes such as income tax, property gains tax, tourism tax and so forth is burdening the public to comply with GST. Hereby, it is concluded that the proposed hypothesis H3 is accepted and it is consistent with previous studies.

CONCLUSION

This research on GST implementation in Malaysia has revealed that all the selected variables namely the effect of GST, the knowledge level on GST, government monitoring and GST Tribunal as well as other inevitable taxes have a significant correlation with people's satisfaction towards GST. This anatomy of GST implementation proved that the effect of consumer tax, the knowledge about consumer tax, government monitoring, tribunal set up and other inevitable taxes applied (tourism tax, personal income tax, toll etc.) have great influence on the public satisfaction towards any kinds of consumer tax implemented in Malaysia. The government should look at all the effects of the current tax system that requires change in this country before any consumer tax (either GST or SST) is imposed to the people. The government should consider from the bottom up of all the parties involved in the implementation of any kind of consumer tax since it will not only involve the rich, but also the low and middle income earner, who are already burdened with high cost of living especially in urban areas. Government should consider the tax rate, the compensatory package, the accounting process, economics, political condition, and more (Soliha Sanusi, 2015). Regarding the consumption tax rate, the government should start by implementing it at a rate which is lower in the beginning and gradually increase the tax rate in later years (Ministry of Finance Singapore 2017) to ensure people will not feel burdened or alarmed with the implementation of GST. In getting people to comply with GST satisfactorily, it is suggested that the government should introduce a scheme that can help the lower income group and middle income group to maintain their purchasing power such as vouchers and rebates (GST Voucher, 2017; Government of Singapore 2017). *Knowledge level* about tax is also significant and hence a proper tax compliance literature must be accessible by people in various forms and manner. From the research study it is gathered that not many public citizen attended seminars, workshop and training program for consumers provided by Royal Malaysian Custom Department (RMCD) to learn about GST but instead they learnt from internet based social media, websites and newspaper. It is vital to educate the public on the administration of GST for consumers and for traders (K.Saira 2016; Nor Faizah A.M 2015) as well as awareness on price control and anti-profiteering law (ACCCIM Survey Report 2015). *Government monitoring* is also important to ensure public satisfaction towards GST implementation in that MDTCC and RMCD officers can conduct frequent on site visits or act as mystery shoppers to nab errant businessmen or traders and issue notice to traders to provide information or explanation. At the end of the day, consumers and the business community will evaluate their hands on programme. The tax tribunal must be set up to instantaneously resolve problems and appeals. The government should also consider the existence of *other inevitable taxes* when any consumption tax (GST or SST) is introduced. It is suggested that some of the taxes rate be reduced in order to increase the level of satisfaction of people towards GST implementation and compliance.

R2 showed that there was only 25.3 percent of variation in dependent variable which is explained by the sets of independent variables selected therefore it would suggest that there are other possible factors which may influence the satisfaction of people towards the implementation of consumption tax such as the economic weather and inflation; social norms, tax payer attitudes, trust in political system and so forth. The framework of this study can be customised to produce a better model fit. The authors recommended that this study is replicated in a different and more diverse population instead of limiting the sample population to Negeri Sembilan. This survey should be expanded throughout Malaysia to obtain a more generalized finding. The findings shall increase the database analysis on factors influencing successful implementation of consumer tax in Malaysia.

Acknowledgement

All praises to Allah (s.w.t) for His blessing and strength in completing this survey and the authors would like to thank Universiti Teknologi MARA for the support.

APPENDIX 1

Types of taxes charged to Malaysian consumers:

Tax	Rate
Tourism tax (for hotel)	RM10/room
Personal Income Tax	28%
Corporate tax	25%
Toll	*tolls rate differ at each tolls*
Zakat (muslim)	2.5% per year

APPENDIX 2:

The GST Tribunal framework contains the following terms:

- Upon application for a review to the Director General (DG) of Customs and in the event of an unfavorable decision by the DG, the taxpayer files an appeal to the Tribunal against the decision of the DG.
- The taxpayer may be represented at the Tribunal by any person whom he may appoint.
- The Tribunal's decision is deemed an order of the Sessions Court
- The Tribunal's decision may be appealed by an aggrieved party to the High Court.
- Further appeal from the High Court's decision is limited to the Court of Appeal.

Note that the jurisdiction of the Tribunal is restricted from hearing appeals on certain prescribed non-appealable matters (Fourth Schedule of the Goods and Services Tax Act 2014 ("GSTA") – Non-Appealable Matters)

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